No. 17-1594

In the Supreme Court of the United States

RETURN MAIL, INC.,

Petitioner,

v.

UNITED STATES POSTAL SERVICE and UNITED STATES,

Respondents.

On Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

BRIEF FOR PETITIONER

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QUESTION PRESENTED

Whether the government is a "person" who may petition to institute review proceedings under the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011).

PARTIES TO THE PROCEEDING BELOW AND RULE 29.6 STATEMENT

Petitioner Return Mail, Inc. has no parent corporation, and no publicly held company holds 10% or more of its stock.

Respondents are the United States Postal Service and the United States.

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BRIEF FOR THE PETITIONER

Petitioner Return Mail, Inc. respectfully submits that the judgment of the United States Court of Appeals for the Federal Circuit should be reversed.

OPINIONS BELOW

The Patent Trial and Appeal Board's Decision to Institute Covered Business Method Review (Pet. App. 98a–139a), and that Board's Final Written Decision (Pet. App. 57a–97a) are unreported. The Federal Circuit's opinion (Pet. App. 1a–56a) is reported at 868 F.3d 1350 (Fed. Cir. 2017). Its order denying rehearing en banc (Pet. App. 140a–141a) is unreported.

JURISDICTION

The judgment of the court of appeals was entered on August 28, 2017. A timely petition for rehearing was denied on December 15, 2017. On February 28, 2018, the Chief Justice extended the time to file a petition for a writ of certiorari to and including May 14, 2018. The petition was filed on May 14, 2018, and was granted on October 26, 2018. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The pertinent statutory provisions are reproduced in the appendix to this brief (AIA, § 18, 125 Stat. at 329–331; 28 U.S.C. § 1498; 1 U.S.C. § 1; 35 U.S.C. §§ 311, 315, 321, 325). App., *infra*, 1–20.

INTRODUCTION

Congress created an administrative adjudication process at the U.S. Patent and Trademark Office as part of the Leahy-Smith America Invents Act (AIA) to expedite resolution of patent validity disputes and to decrease costly litigation. The AIA authorizes a "person" to petition the Office to cancel a patent for invalidity through three new types of review proceedings, but mandates that the person is then estopped from asserting the same grounds to challenge the patent in federal district court or International Trade Commission litigation.

That agency review and estoppel framework is central to the AIA's structure and purpose. The Federal Circuit held, however, that the government is a "person" who can invoke the AIA's review proceedings, even though the government is not covered by the statute's estoppel provisions. Under the Federal Circuit's ruling, the government—and the government alone—could challenge the validity of a patent in an AIA review and then relitigate that same validity challenge in Court of Federal Claims litigation, thus getting "two bites at the apple." Pet. App. 55a (dissenting opinion).

The Federal Circuit's reading is contrary to the text, structure, and purpose of the AIA. Congress did not separately define "person" in the AIA, nor do the Patent Act's omnibus definitions, so Congress directs usage of the definition of "person" in the Dictionary Act, which does not include the government unless the context indicates otherwise, 1 U.S.C. § 1. Congress's straightforward statutory definition is reinforced by

this Court's "longstanding interpretive presumption that 'person' does not include the sovereign." *Vermont Agency of Nat. Res. v. U.S. ex rel. Stevens*, 529 U.S. 765, 780–781 (2000). That presumption "may be disregarded only upon some affirmative showing of statutory intent to the contrary." *Id.* at 781. There is no statutory context or affirmative showing by Congress that it departed in the AIA review provisions from the well-established definition of "person." And there is no basis for treating differently the U.S. Postal Service, which the Court already has held is not separate from the federal government when it comes to the definition of "person." *U.S. Postal Service v. Flamingo Indus. (USA) Ltd.*, 540 U.S. 736, 746 (2004). The judgment of the Federal Circuit should be reversed.

STATEMENT OF THE CASE

A. Statutory Framework

1. The AIA, enacted in 2011, adopted the most significant changes to the Nation's patent laws since the Patent Act of 1952. Of direct relevance here, the AIA changed the nature of various procedures used to adjudicate patent disputes. Specifically, the AIA created three types of agency proceedings to review the validity of issued patents: post-grant review (PGR), *inter partes* review (IPR), and a transitional covered business method review (CBM review), available for eight years. *See* 35 U.S.C. §§ 311–319 (IPR); 35 U.S.C. §§ 321–329 (PGR); AIA Pub. L. No. 112-29, § 18, 125

Stat. 284, 329–331 (2011) (CBM review).[1] We refer to these proceedings collectively as "AIA reviews."

Congress provided that a "person" can petition for institution of such reviews in defined circumstances. The AIA directs that "a person who is not the owner of a patent may file with the [Patent and Trademark] Office a petition to institute a post-grant review [PGR] of the patent," 35 U.S.C. § 321(a), and similarly, that "a person who is not the owner of a patent" may petition to institute an IPR, 35 U.S.C. § 311(a). The statute further provides that a CBM review "shall be regarded as, and shall employ the standards and procedures of, a [PGR]," with limited exceptions not relevant here, AIA § 18(a)(1), 125 Stat. at 329, such that "a person who is not the owner of a patent" may likewise petition for CBM review, 35 U.S.C. § 321(a). Unlike PGRs and IPRs, availability of CBM reviews is further limited by a threshold requirement that "[a] person may not file a petition for a transitional proceeding with respect to a [CBM] patent unless the person or the person's real party in interest or privy

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[1] The provisions regarding PGRs and IPRs have no sunset date, but the transitional CBM review program requires that a petition for review be filed by September 16, 2020, eight years after the effective date of the Patent and Trademark Office's implementing regulations. AIA § 18(a)(3)(A), 125 Stat. at 330; Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,680, 48,687 (Aug. 14, 2012); Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734, 48,734–48,735 (Aug. 14, 2012). Although the AIA is generally codified in Title 35, the transitional CBM review provisions are not codified and are found in Section 18 of the AIA. 125 Stat. at 329–331.

has been sued for infringement of the patent or has been charged with infringement under that patent." AIA § 18(a)(1)(B), 125 Stat. at 330.

The question here is whether the government is a "person" authorized to petition for such AIA reviews. Congress did not separately define the term "person" for purposes of AIA reviews, or elsewhere in the AIA. The Patent Act's omnibus definitions provision, 35 U.S.C. § 100, likewise lacks a separate definition of the term "person." Congress defined "person," however, in the Dictionary Act: "In determining the meaning of any Act of Congress, unless the context indicates otherwise, . . . the words 'person' and 'whoever' include corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals." 1 U.S.C. § 1.

2. Congress structured AIA reviews as "an adversarial process . . . that mimics civil litigation." *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1352 (2018). Third parties petition for institution of agency review to seek cancellation of a patent. 35 U.S.C. §§ 311(a), 321(a); AIA § 18(a)(1), 125 Stat. at 329. Once instituted, AIA reviews involve new trial-like procedures, including discovery and oral hearings. 35 U.S.C. §§ 316(a)(5), (a)(10), 326(a)(5), (a)(10); AIA § 18(a)(1), 125 Stat. at 329.

Each of the three types of AIA review provide a mechanism by which a "person" may seek the invalidation of a patent, although they differ slightly in terms of when the review may be instituted and the particular grounds on which a patent may be challenged. For example, a PGR petition can be filed only

within nine months after grant of the relevant patent, 35 U.S.C. § 321(c), and the petitioner can argue for cancellation of the patent on any ground of invalidity that is a defense to infringement under 35 U.S.C. § 282(b)(2), (3). *See* 35 U.S.C. § 321(b). An IPR petition can be filed nine months after a patent is granted or on the date a previously-instituted PGR is terminated, whichever is later. 35 U.S.C. § 311(c). The grounds for challenging a patent in an IPR are significantly narrower than in a PGR, and are limited to grounds that could be raised under 35 U.S.C. §§ 102 (anticipation) and 103 (obviousness), and then "only on the basis of prior art consisting of patents or printed publications," 35 U.S.C. § 311(b).[2]

The AIA directs that reviews be conducted by the Patent Trial and Appeal Board, an adjudicative body newly created by the AIA, and composed of Administrative Patent Judges. *See* 35 U.S.C. § 6(a); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). The Board determines whether to institute the review requested by the petition, 35 U.S.C. §§ 314, 324,[3] and then, if a review is instituted, the Board generally must issue a final written decision "not later than 1 year after" instituting review. 35 U.S.C. §§ 316(a)(11),

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[2] Unlike PGRs and IPRs, which apply to patents regardless of the type of invention claimed, a CBM review is limited to a patent that "claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions." AIA § 18(a)(1), (d)(1), 125 Stat. at 329–331.

[3] The Director is charged with deciding whether to institute review and, "[i]n practice, the agency's Patent Trial and Appeal Board exercises this authority on behalf of the director." *SAS Inst.*, 138 S. Ct. at 1353 (citing 37 C.F.R. § 42.4(a)).

318(a), 326(a)(11), 328(a); AIA § 18(a)(1), 125 Stat. at 329. The Board's final written decision can be appealed by an aggrieved party to the Federal Circuit. *See* 35 U.S.C. § 141(c); AIA § 18(a)(1), 125 Stat. at 329.

3. Congress provided that AIA review proceedings would have estoppel effect in patent litigation in federal district court "under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930," and in proceedings at the Patent and Trademark Office. 35 U.S.C. §§ 315(e)(1), (2), 325(e)(1), (2); AIA § 18(a)(1)(A), (D), 125 Stat. at 329–330. Congress specified that, following a final written decision by the Board, the petitioner in an AIA review may not assert in the three listed forums that a challenged patent is invalid on "any ground that the petitioner raised or reasonably could have raised during" the review. 35 35 U.S.C. §§ 315(e)(1), (2), 325(e)(1), (2); AIA § 18(a)(1)(D), 125 Stat. at 330.[4] The estoppel provisions also bind "the real party in interest or privy of the petitioner." 35 U.S.C. §§ 315(e), 325(e); *see also* AIA § 18(a)(1)(D), 125 Stat. at 330 (estoppel from CBM reviews applicable to petitioner "or the petitioner's real party in interest").

Congress designed the estoppel provisions to facilitate the expeditious and economical resolution of patent validity disputes, while "limit[ing] unnecessary and counterproductive litigation costs." H.R. Rep. No. 112-98, pt. 1, at 40 (2011). AIA reviews were

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[4] For CBM reviews, estoppel in a federal district court or International Trade Commission proceeding applies only to grounds that the petitioner "raised during" the review. AIA § 18(a)(1)(D), 125 Stat. at 330.

given estoppel effect to prevent them from being "used as tools for harassment" or as "a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent." H.R. Rep. No. 112-98, at 48 (2011); *see also id.* (estoppel provides "quiet title to patent owners to ensure continued investment resources"); S. Rep. 111-18, at 18 (2009). Absent that protection, a patent owner would be exposed to the significant burden of "multiplicative" proceedings in federal court and before the Board, "including discovery in both forums . . . while permitting the challenger to exploit [AIA] review's lower standard of proof." *Cuozzo*, 136 S. Ct. at 2154 (Alito, J., concurring in part and dissenting in part) (discussing 35 U.S.C. §§ 315–316).

The AIA review provisions do not mention the federal government as a "person" and the estoppel provisions do not mention litigation in the Court of Federal Claims under 28 U.S.C. § 1498(a). A suit in that court under Section 1498(a) is the exclusive remedy for a patent owner who alleges that the federal government or its contractors used or manufactured a patented invention without license or right. *Id.*

B. Facts and Procedural History

1. Petitioner Return Mail, Inc., is a small business that provides technological solutions for efficient processing of mail that cannot be delivered due to inaccurate or obsolete address information. Pet. App. 41; Fed. Cir. App. 3298, No. 2016-1502 (Sept. 22, 2016), ECF No. 41. In the early 2000s, the cost of processing undeliverable, returned mail was a

particularly large problem for high-volume mail businesses like credit card companies and bulk mail advertisers, as well as for the U.S. Postal Service. Fed. Cir. App. 685. In particular, re-routing returned mail involved manual handling—a labor-intensive process subject to human error and delays. Pet. App. 5a.

Return Mail's founders, Ralph Mitchell Hungerpiller and Ronald C. Cagle, developed an invention to solve that problem. The invention was built around the unconventional scanning and processing of new categories of coded information by relying on machine-readable two-dimensional barcodes, rather than an envelope's alphanumeric addressing information. Fed. Cir. App. 686, 1701; *see* Pet. App. 5a–6a. Return Mail protected this invention by filing an application with the Patent and Trademark Office, which issued U.S. Patent No. 6,826,548 to the company in 2004. Pet. App. 159a.

Return Mail met with the U.S. Postal Service in 2003 to discuss the company's invention, and the Postal Service repeatedly expressed interest in the invention in the ensuing years. Pet. App. 161a–163a. These discussions culminated in a January 2006 meeting, at which the Postal Service and Return Mail discussed licensing options and the Postal Service proposed a formal pilot program. Pet. App. 162a–163a.

While discussions of the technical details of the proposed pilot program were underway, the U.S. Postal Service announced that it would offer its own system, called "OneCode ACS," to process returned and undeliverable mail. Pet. App. 163a–164a. Return

Mail informed the Postal Service that the OneCode ACS system was covered by the claims of Return Mail's '548 Patent, Pet. App. 164a. The Postal Service declined to license Return Mail's invention, however, Pet. App. 6a, and requested that the Patent and Trademark Office conduct an *ex parte* reexamination of the '548 Patent. The Patent and Trademark Office conducted the reexamination—a non-adversarial proceeding before a patent examiner—and confirmed the patentability of Return Mail's invention. Pet. App. 4a–5a.

2. On February 28, 2011, Return Mail brought suit against the United States in the Court of Federal Claims under 28 U.S.C. § 1498(a), seeking compensation for unlawful governmental use of the invention claimed in the '548 Patent. That litigation proceeded for three years, including the government's answer to the complaint and litigation of a *Markman* proceeding at which the court construed various of the patent claims and adopted Return Mail's claim construction positions. *Return Mail, Inc. v. United States*, 2013 WL 5569433 (Oct. 4, 2013); *see also Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996).

3. Three years after Return Mail brought suit, the U.S. Postal Service petitioned the Board for a CBM review, challenging Return Mail's '548 Patent as invalid on various grounds, including anticipation, obviousness, and ineligibility. Pet. App. 6a–7a. The Postal Service identified the United States as the real party in interest. *See* Fed. Cir. App. 90–91. Return Mail opposed the petition and contended, among other things, that the Board lacked statutory authority to

institute CBM review based on a petition filed by the government. Pet. App. 7a.

The Board instituted the requested CBM review with respect to the U.S. Postal Service's Section 101 and 102 challenges. Pet. App. 98a–139a. In doing so, the Board rejected Return Mail's statutory authority argument, concluding that "because the United States has been sued for infringement of the '548 Patent under 28 U.S.C. § 1498(a), the United States has standing under Section 18 of the AIA to seek a covered business method review of the '548 Patent." Pet. App. 117a.

On October 15, 2015—11 years after the '548 Patent was first issued and more than four-and-a-half years after Return Mail first filed its Section 1498(a) claim against the government—the Board issued its final written decision in the CBM review. Pet. App. 57a–97a. The Board rejected the U.S. Postal Service's anticipation challenge, Pet. App. 83a–90a, but nonetheless invalidated Return Mail's '548 Patent as ineligible for patent protection under 35 U.S.C. § 101 and *Alice Corp. v. CLS Bank International*, 573 U.S. 208 (2014). Pet. App. 72a–81a.

4. A divided panel of the Federal Circuit affirmed. Pet. App. 1a–43a.

As relevant here, the court held that the government is a "person" authorized to petition for CBM review under AIA § 18(a)(1)(B), 125 Stat. at 330. Pet App. 29a–33a. The court acknowledged that statutes using the term "person" ordinarily are construed not to include the government, but noted that there is no

"hard and fast rule of exclusion" and that any presumption of excluding the government "carries less weight" where treating the government as a "person" would confer an advantage rather than impose a limitation. Pet. App. 30a. The court also noted that "[t]he AIA does not appear to use the term 'person' to exclude the government in other provisions." Pet. App. 31a.[5]

The court acknowledged that allowing the government to petition for CBM review would create an "oddity" because the AIA's estoppel provisions do not apply to actions in the Court of Federal Claims, such that "the government would enjoy the unique advantage of not being estopped in the Claims Court from relitigating grounds raised during a CBM review proceeding." Pet. App. 28a–29a. The court dismissed this issue, however, as raising only "policy concerns," and declared that it was for Congress to "revis[e] the estoppel provisions for CBM review should it see fit." Pet. App. 29a; *see also* Pet. App. 31a–32a & n.17 (rejecting concerns about the lack of estoppel for government petitioners as raising merely a "policy consideration").

Judge Newman dissented, reasoning that the AIA's text and structure counsel against reading "person" to include government agencies as among those

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[5] The court also ruled, among other things, that an action against the government for compensation under 28 U.S.C. § 1498(a), meets the requirement that a person has been "sued for infringement" within the meaning of the CBM review provision. AIA § 18(a)(1)(B), 125 Stat. at 330. Pet. App. 17a–33a.

entitled to petition for CBM review. Pet. App. 44a–56a.

Starting with the text, Judge Newman applied the "general statutory definition" of the Dictionary Act and noted that the government is "conspicuously absent" from that definition, which has been judicially reinforced. Pet. App. 47a–48a (citing 1 U.S.C. § 1). And she noted that "[t]he long-standing rule excluding the government from implicit inclusion as a statutory 'person' applies to situations where the government would benefit from such inclusion, as well as situations where such inclusion would burden the government." Pet. App. 50a (citing *United States v. Fox*, 94 U.S. 315, 321 (1876)).

The dissent then turned to the AIA's structure, and in particular its estoppel provisions. The balance between the AIA's authorization for a "person" to petition for agency review of a patent, on the one hand, and the AIA's provision for such reviews to have estoppel effect, on the other hand, forms "the backbone of the AIA." This balance allows Congress to "achiev[e] its purpose of expeditious and economical resolution of patent disputes without resort to the courts," while also providing finality for the parties. Pet. App. 51a. Because the AIA's estoppel provisions apply only to patent litigation in federal district court and proceedings before the International Trade Commission, and make no mention of litigation before the Court of Federal Claims (the sole forum for litigating patent claims against the government), the dissent concluded that allowing the government to petition for CBM review would upset the statute's carefully calibrated scheme. Pet. App. 51a. The majority's

interpretation "would grant the United States the benefit of post-grant challenge in the PTO, but would omit the statute's estoppel against raising the same challenge in court," Pet. App. 52a, ignoring "the extensive backdrop of law and history on which the AIA was enacted," Pet. App. 53a n.1, and "giving the government 'two bites at the apple,'" Pet. App. 55a.

The Federal Circuit denied Return Mail's timely petition for rehearing. Pet. App. 140a–141a.

SUMMARY OF ARGUMENT

I. When Congress enacted the Leahy-Smith America Invents Act (AIA) in 2011, it used the term "person" to identify those who may petition the agency to seek cancellation of a patent on invalidity grounds through an AIA review proceeding. Only a "person" may petition to institute post-grant review (PGR), *inter partes* review (IPR), and covered business method review (CBM review). 35 U.S.C. § 311(a); *id.* § 321(a); AIA § 18(a)(1)(B), 125 Stat. at 330.

As a matter of statutory and judicial precedent, "person" has a settled and longstanding meaning: The term *excludes* the government, unless context indicates otherwise or there is an affirmative showing by Congress to the contrary. Here there is no such context or showing. Indeed, the statutory context reinforces the conclusion that "person" in the AIA review provisions excludes the government because patent litigation against the government in the Court of Federal Claims is excluded from the estoppel provisions that counterbalance those AIA reviews.

A. Congress defined the term "person" in the Dictionary Act: "In determining the meaning of any Act of Congress, unless the context indicates otherwise . . . the words 'person' and 'whoever' include corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals." 1 U.S.C. § 1. Conspicuously, Congress's definition of "person" does *not* include the government.

The Dictionary Act's definition of "person" is longstanding. The current definition has been on the books for roughly seventy years. *See* Pub. L. No. 80-772, 62 Stat. 859 (1947). And the previous definition—which had been in place since 1874—similarly excluded the government. *See* Rev. Stat. § 1 (1974).

By using "person" in the AIA's review provisions without separately defining it, Congress triggered the Dictionary Act definition. This Court has consistently turned to the Dictionary Act when interpreting a term that is not defined separately in the specific statute at issue—including "person." More than seventy years ago, this Court relied on the Dictionary Act to construe "persons" for purposes of the Norris-LaGuardia Act and concluded then—as it should do now—that "persons" excluded the government.

The AIA is no exception from the Dictionary Act's directive that it is to be consulted "[i]n determining the meaning of any Act of Congress." 1 U.S.C. § 1. And the Dictionary Act's definition of "person" governs here because the "the context" does not "indicate[] otherwise." *Id.* Indeed, the Dictionary Act was designed for this very purpose. The Act's "whole

point . . . is to provide a stable set of background principles that will promote effective communication between Congress and the courts." *Dorsey v. United States*, 567 U.S. 260, 297 (2012) (Scalia, J., dissenting).

B. Congress's use of "person" is mirrored by the well-settled precedent of this Court. In particular, this Court employs a "longstanding interpretive presumption that 'person' does not include the sovereign." *Vermont Agency of Nat. Res. v. U.S. ex rel. Stevens*, 529 U.S. 765, 780–781 (2000). That presumption has governed this Court's interpretation of statutes for more than a century, and it "may be disregarded only upon some affirmative showing of statutory intent to the contrary." *Id.* at 781; *see also United States v. Fox*, 94 U.S. 315, 321 (1876).

The presumption that "person" does not include the government is dispositive here, because there is no "affirmative showing" that Congress intended a contrary meaning. To the extent Congress affirmatively revealed an intended definition for "person" in the AIA review provisions, those signals confirm the presumption that the government is not included. When Congress did intend to include the government in patent provisions, it knew how to do so clearly, as it did when it provided that "[e]ach Federal agency" is authorized to apply for and obtain patents. 35 U.S.C. § 207(a)(1). Congress did not provide any generally applicable definition of the term "person" in the patent statute, however, or any showing that it expanded that term in the AIA review provisions.

That the term "person" may carry a different meaning in different contexts in the AIA does not undermine that conclusion. There is no "rigid" requirement that "identical words used in different parts of the same act are intended to have the same meaning." *United States v. Cleveland Indians Baseball Co.*, 532 U.S. 200, 213 (2001). And there is no different treatment warranted for the U.S. Postal Service. *See U.S. Postal Service v. Flamingo Indus. (USA) Ltd.*, 540 U.S. 736, 745–746 (2004).

II. Reading "person" in the AIA review provisions to exclude the government finds full support in the statutory structure, in particular the AIA's estoppel provisions, which form the backbone of the AIA review scheme.

A. Congress enacted the AIA to strike a critical balance that would "remove current disincentives to [the use of] administrative processes" for the review of patents, while also ensuring that such mechanisms would not "be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent." H.R. Rep. No. 112-98, pt. 1, at 48 (2011). The estoppel provisions effectuate that balance by barring a petitioner from challenging patent validity in federal district court or the International Trade Commission "on any ground that the petitioner raised during" the AIA review. AIA § 18(a)(1)(D), 125 Stat. at 330; *see also* 35 U.S.C. §§ 315(e)(2), 325(e)(2). Without estoppel provisions, AIA reviews may have *multiplied*, rather than "streamline[d]" patent litigation, contrary to Congress's intent. The Act's estoppel provisions ensure that AIA review remains a "quick

and cost-effective *alternative[]* to litigation," H.R. Rep. No. 112-98, pt. 1, at 48 (2011) (emphasis added)—rather than a first course on a menu of litigation options.

B. Although the Court of Federal Claims is the only forum where a patent owner can seek compensation from the government for the government's alleged unlawful use of its patent, 28 U.S.C. § 1498(a), the AIA's estoppel provisions make no mention of that forum or such proceedings. As a result, if the government were considered a "person" for purposes of petitioning for AIA review, the government—and the government alone—would receive a free pass to relitigate its challenges to a patent's validity.

C. The government has suggested that it would not be unusual for Congress to exempt federal agencies from the AIA's estoppel provisions, relying in particular on the principle that "equitable estoppel will not lie against the Government as it lies against private litigants." *Office of Personnel Mgmt. v. Richmond*, 496 U.S. 414, 419 (1990). The government's argument is without merit because the AIA's estoppel provisions are statutory, not equitable, and when Congress crafted the AIA's estoppel provisions, it was invoking not equitable estoppel, but mutual *collateral* estoppel, which does apply against the government.

Whatever Congress's reasons for crafting the estoppel provisions as it did, its omission of any reference to Section 1498(a) or the Court of Federal Claims cannot provide the affirmative showing needed to override the definition of "person" under the Dictionary Act and longstanding judicial precedent.

ARGUMENT

I. THE STATUTORY TEXT, STRUCTURE, AND PURPOSE DEMONSTRATE THAT THE GOVERNMENT IS NOT A "PERSON" UNDER THE AIA REVIEW PROVISIONS.

When Congress enacted the AIA in 2011, it acted against a well-established understanding of the meaning of the term "person," rooted in Congress's express definition and this Court's precedent. Congress used the word "person" to identify those who can petition the Patent and Trademark Office to cancel a patent based on invalidity in new, adversarial AIA review proceedings: "[A] person" who is "not the owner of a patent may file with the Office a petition to institute" post-grant review (PGR) or *inter partes* review (IPR) asking for invalidation of the patent. 35 U.S.C. §§ 311(a), 321(a). And such a "person" may petition for covered business method review (CBM review) as well, but only if "the person or the person's real party in interest or privy has been sued for [or charged with] infringement under that patent." AIA § 18(a)(1)(B), 125 Stat. at 330.

The term "person" is not new to the law, nor is its meaning unsettled. By operation of statute and judicial precedent, "person" has for more than a century been understood to *exclude* the government, absent some clear statutory showing to the contrary. Because Congress drafted and the President signed the AIA against that steady and longstanding interpretive backdrop—and because in doing so they left no

sign of any intent to depart from the presumptive statutory meaning—"person" as used in the AIA review provisions is correctly read to exclude the government.

A. Congress Has Long Defined "Person" in the Dictionary Act to Exclude the Government and That Definition Controls Here.

1. One need "not speculate as to the meaning of 'person,'" Pet. App. 53a n.1 (dissenting opinion), because Congress has defined the term. The AIA review provisions do not separately define "person," nor do the Patent Act's omnibus definitions, so Congress directs usage of the Dictionary Act definition of the term: "In determining the meaning of any Act of Congress, unless the context indicates otherwise . . . the words 'person' and 'whoever' include corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals." 1 U.S.C. § 1.

The Dictionary Act's definition of "person" does not include the government, *see* Pet. App. 47a–48a (dissenting opinion), and that definition is longstanding. For more than a century, across the Dictionary Act's multiple iterations, Congress has consistently omitted the government from the definition of "person." As early as 1874, Congress provided that "[i]n determining the meaning of . . . any act or resolution of Congress . . . the word 'person' may extend and be applied to partnerships and corporations," but Congress did not provide for inclusion of the government. Rev.

Stat. § 1 (1874).[6] Congress renewed that definition in 1947, *see* Act of July 30, 1947, Pub. L. No. 80-278, 61 Stat. 633 (definition codified at 1 U.S.C. § 1 (1947)), and then settled the following year on the definition of "person" that remains in force to this day, *see* Dictionary Act, Pub. L. No. 80-772, § 6, 62 Stat. 859 (codified as amended at 1 U.S.C. § 1).

The Dictionary Act "is generally applicable to any Act of Congress," *Hubbard v. United States*, 514 U.S. 695, 701 n.4 (1995), and its definition of "person" controls here. As this Court recently observed, "unless there is something about the [statutory] context that 'indicates otherwise,' the Dictionary Act provides a quick, clear, and affirmative answer" to the definitional scope of "person." *Burwell v. Hobby Lobby Stores, Inc.*, 134 S. Ct. 2751, 2768 (2014). Indeed, the Dictionary Act was designed for this very purpose. The Act's "whole point . . . is to provide a stable set of

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[6] Prior to 1874, Congress had provided that the term "person" included "bodies politic and corporate." Act of Feb. 25, 1871, ch. 71, § 2, 16 Stat. 431, 431. Congress then substituted "partnerships and corporations" for "bodies politic and corporate." *Ngiraingas v. Sanchez*, 495 U.S. 182, 191 (1990) (quoting 1 Revision of the United States Statutes as Drafted 19 (1872)). This Court has held that even the earlier "bodies politic and corporate" phrase from the 1871 Act "was used to mean corporations, both private and public (municipal)," but *not* non-corporate *sovereign* entities. *Will v. Michigan Dep't of State Police*, 491 U.S. 58, 69 (1989); *accord Monell v. N.Y.C. Dep't of Social Servs.*, 436 U.S. 658, 688–689 (1978); *see also* Brief for the United States as *Amicus Curiae* Supporting Respondents at 18 n.15, *Ngiraingas v. Sanchez*, 495 U.S. 182 (1990) (No. 88-1281), 1989 WL 1126865, at *18 n.15 (noting that the 1871 Dictionary Act definition of "person" included "municipal corporations and their equivalent government units (towns, cities, and counties)" but not "sovereign entities").

background principles that will promote effective communication between Congress and the courts." *Dorsey v. United States*, 567 U.S. 260, 297 (2012) (Scalia, J., dissenting).

2. This Court has consistently turned to the Dictionary Act, including with respect to "person," when interpreting a term that is not defined separately in the specific statute at issue. More than seventy years ago, this Court relied on the Dictionary Act when construing "persons" for purposes of the Norris-LaGuardia Act, which did not separately define the term. *United States v. United Mine Workers of Am.*, 330 U.S. 258 (1947). The Court noted that through the Dictionary Act, "Congress made express provision for the term ['persons'] to extend to partnerships and corporations," but had omitted "any comparable provision extending the term to sovereign governments." *Id.* at 275. The Court reasoned that, therefore, when Congress used the term "persons" in the Norris-LaGuardia Act, it did not include the federal government. *Id.*

On several subsequent occasions, where "person" was not separately defined in a particular statute, this Court again applied the Dictionary Act definition. *See, e.g., Hobby Lobby*, 134 S. Ct. at 2768; *Vermont Agency*, 529 U.S. at 782. Notably, among opinions citing the Dictionary Act where the applicability of "person" to the government was at issue, the Court has repeatedly *excluded* the government from the reach of that term. *See Will*, 491 U.S. at 69–70; *Wilson v. Omaha Indian Tribe*, 442 U.S. 653, 666 (1979).

This is unsurprising. The Dictionary Act's "person" definition "confirms that insofar as this word is concerned, Congress speaks English like the rest of us." *Clinton v. City of New York*, 524 U.S. 417, 454 (1998) (Scalia, J., dissenting). When engaged "in everyday parlance," *Mohamad v. Palestinian Auth.*, 566 U.S. 449, 454 (2012), few would use the word "person" to describe the government.

3. The AIA is no exception from the Dictionary Act's directive that it is to be consulted "[i]n determining the meaning of any Act of Congress." 1 U.S.C. § 1. And the Dictionary Act's definition of "person" to exclude the government controls here because "the context" does not "indicate[] otherwise." *Id.* To the contrary, the context of the AIA review provisions—especially the statutory estoppel provisions—strongly reinforces Congress's use of the term "person" in the AIA review provisions to exclude the government. *See infra*, pp. 27–32 (discussing lack of any affirmative showing by Congress to include the government) In keeping with the first provision of the United States Code, then, the term "person" in the AIA review provisions is correctly read to exclude the government.

4. The context of Congress's use of the term "person" in the AIA review provisions may explain why this Court has twice described AIA reviews as permitting validity challenges brought by "private parties." *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1352 (2018); *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1378 (2018).

Similarly, in briefing before this Court, the Solicitor General has repeatedly employed a similar choice

of words when referring to the persons who can petition for AIA reviews. *See, e.g.*, Brief for the Federal Respondent at 11–13, 15, 19, 25, 26, *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365 (2018) (No. 16-712) (referring to persons who can petition for IPR as "private challenger[s]," "private part[ies]," and "private petitioner[s]"); *id.* at 11, 24 (observing that AIA review mechanisms allow the Patent and Trademark Office to "leverage knowledge possessed by persons outside the government"); Brief for the Respondent at 30, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016) (No. 15-446 (noting "the presence of contesting private parties" as a "distinguish[ing]" feature of IPRs).

B. Under This Court's Precedent, "Person" Is Presumed to Exclude the Government, Unless There Is an Affirmative, Contrary Showing by Congress, Which Is Absent Here.

1. There Is an Interpretive Presumption Against "Person" Including the Government.

Congress's definition of "person"—one that excludes the government "unless the context indicates otherwise," 1 U.S.C. § 1—is mirrored by the well-settled precedent of this Court. In particular, this Court employs a "longstanding interpretive presumption that 'person' does not include the sovereign." *Vermont Agency*, 529 U.S. at 780–81. That presumption "may be disregarded only upon some affirmative showing of statutory intent to the contrary." *Id.* at 781; *see also Fox*, 94 U.S. at 321 (1876) ("The term 'person' as here

used applies to natural persons, and also to artificial persons, . . . but cannot be so extended as to include within its meaning the Federal government. It would require an express definition to that effect to give it a sense thus extended.").

The presumption that Congress excludes the government when using the term "person" has guided this Court's interpretation of statutes for more than a century. *See, e.g., United States v Fox*, 94 U.S. 315, 321 (1876); *United States v. United Mine Workers of Am.*, 330 U.S. 258, 272 (1947); *Wilson v. Omaha Tribe*, 442 U.S. 653, 667 (1979); *Will v. Michigan Dep't of State Police*, 491 U.S. 58, 64 (1989).

For example, in *United States v. Cooper Corp.*, 312 U.S. 600 (1941), the Court applied the presumption in a situation similar to the one presented here. *Cooper* addressed the scope of a provision authorizing "any person" to bring suit for treble damages under the Sherman Antitrust Act. *Id.* at 603–604. Reasoning that "in common usage, the term 'person' does not include the sovereign," the Court observed that "statutes employing the phrase are ordinarily construed to exclude it." *Id.* at 604. It followed that "the use of the phrase 'any person' [was] insufficient to authorize an action by the Government."[7]

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[7] Congress reaffirmed this understanding when it later "amended the antitrust statutes to allow the United States to bring antitrust suits." *Flamingo*, 540 U.S. at 745. Rather than "chang[e] the definition of 'person' in the statute," Congress added "a new section allowing the United States to sue," such that "*Cooper*'s conclusion that the United States is not an antitrust 'person' . . . was unaltered by Congress' action." *Id.*

As *Cooper* illustrates, the background rule that "person" excludes the government "applies to situations where the government would benefit from such inclusion, as well as situations where such inclusion would burden the government." Pet. App. 50a (dissenting opinion). Indeed, decades before *Cooper*, the Court held that the federal government was not a "person capable by law of holding real estate" under a New York statute because there was no "express definition" to the contrary, again demonstrating that the presumption applies regardless of whether the government is benefited or burdened. *Fox*, 94 U.S. at 321.

Because "Congress understands the state of existing law when it legislates," *Bowen v. Massachusetts*, 487 U.S. 879, 896 (1988), Congress's use of "person" in the AIA review provisions excludes the government absent a clear signal to the contrary. "It is always appropriate to assume that our elected representatives, like other citizens, know the law," *Cannon v. Univ. of Chicago*, 441 U.S. 677, 696–697 (1979), and that assumption is especially warranted here, where a "vast weight of statute and precedent," Pet. App. 54a (dissenting opinion), long ago agreed on an interpretive framework for use of the term "person."

2. There Is No Affirmative Showing by Congress to Overcome the Presumption That the Government Is Not a "Person" in the AIA Review Provisions.

a. Congress provided no affirmative showing of an intent to depart from the well-established, presumptive definition of "person." *Vermont Agency*, 529 U.S.

at 781. The AIA offers no separate definition of "person" that would expand that term to include the government and, indeed, the statutory structure and purpose counsel against such an expansion.

The Federal Circuit acknowledged the absence of any indication from Congress regarding the meaning of "person" in the AIA review provisions. Pet. App. 32a. The fatal flaw in that court's analysis was that it drew the wrong conclusion from that fact. The Federal Circuit turned this Court's precedent on its head by reading "person" to *include* the government because it did not identify evidence in the AIA "that Congress intended to *exclude* the government from filing petitions." Pet. App. 32a–33a (emphasis added). Instead, "the absence of Congressional guidance," Pet. App. 32a, should have been dispositive in the opposite direction, requiring that "person" be read according to its presumptive statutory meaning that excludes the government.[8]

b. The text and structure of the Patent Act demonstrate that Congress knows how to explicitly include the government when it intends to do so.

For example, as noted in the Brief in Opposition, Congress has specifically authorized "[e]ach Federal agency" to "apply for, obtain, and maintain patents." 35 U.S.C. § 207(a)(1). The government seizes on that language to argue that because the Act uses "person"

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[8] Congress also provided no affirmative showing in either the *ex parte* reexamination provisions, *see* 35 U.S.C. § 302, or in the since-repealed *inter partes* reexamination provisions, *see, e.g.*, 35 U.S.C. § 311(a) (2006), that the government was authorized to file a request for reexamination.

elsewhere in relation to patent ownership and applications, the AIA's use of "person" to refer to those who can challenge a patent's validity through the review provisions should also include the government. Br. in Opp. 10–11. But Congress did not expand any definition of "person" that applies to the whole of the statute, and no such definition exists. Rather, Congress expressly addressed the ability of "[e]ach Federal agency" with regard to a specific aspect of the patent framework (patent ownership), providing an affirmative showing on that particular point. *See Vermont Agency*, 529 U.S. at 781.

There is no analogous affirmative showing by Congress with regard to those who are authorized to seek cancellation of a patent through AIA review proceedings. Unlike Section 207(a)(1), Congress made no mention of "[e]ach Federal agency" or any other reference to the government in the AIA review provisions. Section 207(a)(1) "shows that Congress knew exactly how to authorize" the government to exercise a particular patent right, *SAS Inst.*, 138 S. Ct. at 1351, and could have done so if it had intended the same with respect to AIA reviews.

That omission is particularly instructive here where the government is acting *qua* government, as a defendant in an action for government compensation under 28 U.S.C. § 1498(a), a statute rooted in the constitutional eminent domain authority of the government.[9] The government can raise challenges to

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[9] *See Crozier v. Fried. Krupp Aktiengesellschaft*, 224 U.S. 290, 304–305 (1912) (explaining that when the government uses the patented invention of another, it does not "infringe"—rather, it

the validity of a patent at issue in Section 1498(a) litigation in the Court of Federal Claims proceedings that Congress created uniquely for the federal government. Congress did not authorize "[e]ach Federal agency" that has been sued for compensation under Section 1498(a) also to petition for AIA review—and then to get that "second bite" without the statutory estoppel that applies to all other petitioners.

Congress also has demonstrated how it explicitly broadens the definition of "person" to include governmental entities when it so intends, as in the language of 35 U.S.C. § 296(a). *See* Pub. L. No. 102-560, § 2(a)(2), 106 Stat. 4230, 4230 (1992). Through that provision, Congress sought to abrogate the sovereign immunity of the States with respect to patent infringement suits. That effort was held unconstitutional on unrelated grounds in *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*, 527 U.S. 627, 630 (1999), but Section 296(a) demonstrated again how Congress

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has "exert[ed] the power of eminent domain" and "appropriat[ed] . . . a license to use the inventions" covered by the patent). As the Federal Circuit has recognized, Section 1498(a) "creates its own independent cause of action" and "operates independently from Title 35," *Zoltek Corp. v. United States*, 672 F.3d 1309, 1321 (Fed. Cir. 2012) (en banc), and various provisions available to patent owners against infringers under Title 35 are unavailable against the government in Section 1498(a) proceedings in the Court of Federal Claims. *See Motorola, Inc. v. United States*, 729 F.2d 765, 768 n.3 (Fed. Cir. 1984) (highlighting differences in the availability of increased damages, attorneys' fees, and injunctive relief, and in the scope of liability). By enacting Section 1498(a) rather than waiving sovereign immunity in the Patent Act, Congress created a tailored, standalone framework to govern the government's exposure to liability for use of patented inventions and any concomitant patent invalidity challenges it may raise in its defense.

makes an affirmative showing when it intends to expand "person" beyond the presumptive definition that excludes the government. Specifically, Section 296(a) identified those authorized to bring infringement suits against States and directed that such suits could be brought "in Federal court by any *person, including any governmental or nongovernmental entity*." 35 U.S.C. § 296(a) (emphasis added). Congress thus provided an affirmative showing that a "person" who could bring suit included a governmental entity, reinforcing, by contrast, that Congress did not do so with regard to AIA reviews.

c. The Federal Circuit based its expanded reading of "person" in part on purported statutory consistency. The court asserted that its interpretation would give the term a consistent meaning throughout the AIA because, according to the court, the AIA "does 'not appear to use the term "person" to exclude the government in other provisions.'" Pet. App. 31a. The court based its reasoning on the "premise that [a] term should be construed, if possible, to give it a consistent meaning throughout [an] Act." Pet. App. 31a (citing *Gustafson v. Alloyd Co.*, 513 U.S. 561, 568 (1995)). The government invokes the same premise, citing the provision discussed above authorizing federal agencies to "apply for, obtain, and maintain patents," 35 U.S.C. § 207(a)(1). Br. in Opp. 11. But the Federal Circuit and the government make no effort to show that an expanded definition of "person" to include the government could apply throughout the AIA, and in any event, such consistency in usage is unachievable.

This Court has recognized that there is no "rigid" requirement that "identical words used in different

parts of the same act are intended to have the same meaning." *United States v. Cleveland Indians Baseball Co.*, 532 U.S. 200, 213 (2001). Accordingly, "the presumption of consistent usage 'readily yields' to context, and a statutory term . . . 'may take on distinct characters from association with distinct statutory objects.'" *Util. Air Regulatory Grp. v. EPA*, 134 S. Ct. 2427, 2441 (2014); *see also Barber v. Thomas*, 560 U.S. 474, 483 (2010) (recognizing that "the same phrase used in different parts of the same statute [may] mean[] different things").

Such is the case here, where various provisions of the AIA use "person" in a manner that could not include the government because they use it to refer exclusively to *natural* persons. *See, e.g.*, 35 U.S.C. § 2(a)(11) (authorizing Patent and Trademark Office to "expend funds to cover the subsistence expenses" and other expenses of "persons attending [certain patent-law] programs who are not federal employees"); § 6(a) ("administrative patent judges" of the Board "shall be persons of competent legal knowledge and scientific ability who are appointed by the Secretary"); § 100(h) (referring to "persons or entities," thereby distinguishing natural "persons" from artificial "entities").

In light of the absence of any affirmative showing that Congress expanded the term "person" in the AIA review provisions to include the government, it is especially appropriate for Congress to address, itself, any concerns that the government may have regarding the scope of the statute, rather than for this Court to do so. *See Bifulco v. United States*, 447 U.S. 381, 400–401 (1980) (If the Court's construction "clashes

with present legislative expectations, there is a simple remedy—the insertion of a brief appropriate phrase, by amendment, into the present language of [the statute]. But it is for Congress, and not this Court, to enact the words that will produce the result the Government seeks in this case."); *Dodd v. United States*, 545 U.S. 353, 359 (2005) ("[W]e are not free to rewrite the statute that Congress has enacted.").

C. There Is No Exception for the U.S. Postal Service.

Although the government has suggested that the U.S. Postal Service should be treated differently than other government agencies for purposes of the definition of "person" in the AIA review provisions, *see* Brief in Opp. 14, that argument does not hold water.

1. The government bases its argument on lower court decisions that were tethered to the particular definitional features of another statute, i.e., the Lanham Trademark Act. The Trademark Act specifies that "person" expressly "includes a juristic person as well as a natural person," and a "juristic person" in turn covers "a firm, corporation, union, association, or *other organization capable of suing and being sued in a court of law*." 15 U.S.C. § 1127 (emphasis added). Because the Postal Service under the Postal Reorganization Act may "sue and be sued in its official name," 39 U.S.C. § 401(1), some lower courts reasoned that it fell within the Trademark Act's definition of "juristic person." *See Fed. Express Corp. v. U.S. Postal Service*, 151 F.3d 536, 545–546 (6th Cir. 1998) (Postal Service is a Trademark Act "person" because it "is outfitted with a sue-and-be-sued clause waiving its traditional